



Office of Advocacy

1999 SMALL BUSINESS PROFILE: OHIO

By any measure, small businesses are critical to the economic well-being of Ohio. They create new businesses (and the new jobs that go with them); bring new and innovative services and products to the marketplace; and provide business ownership opportunities to diverse (and traditionally underrepresented) groups. These contributions are clearly established in the statistical portrait contained in this *Small Business Profile* compiled by the U.S. Small Business Administration's Office of Advocacy.

Number of Businesses. In 1998 there were 232,200 businesses with employees, of which approximately 98 percent were small businesses (fewer than 500 employees). The number of small businesses with employees increased by 1.5 percent from 228,800 in 1997. There were also 361,000 self-employed persons in 1998. While there is some overlap between these two groups (firms with employees and self-employed persons), a rough calculation puts the total number of businesses at 593,200. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. There were 153,000 self-employed women in 1998, representing 42.4 percent of total self-employment in the state. (Source: U.S. Dept. of Labor, Bureau of Labor Statistics)

Minority-Owned Businesses. According to the latest figures available, there were 33,844 minority-owned businesses in 1992, including 22,690 Black-owned businesses; 4,289 Hispanic-owned firms; and 7,146 firms owned by Asians, Pacific Islanders, American Indians, and Alaskan Natives. (Data may not add to the total because an owner may be a member of more than one minority group.) Of these businesses, 5,309 had employees, with employment totaling 34,500. (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. In 1998, 23,400 new employer firms were formed, 2.7 percent fewer than the number formed in 1997. There were 24,400 business terminations in 1998, a 3.4 percent decrease from 1997. Business bankruptcies totaled 1,200 in 1998, a 15.4 percent increase from 1997. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. In 1996, businesses with fewer than 500 employees accounted for 2,323,700 employees, or 50.1 percent of the state's 4,640,000 private-sector non-farm employment. Small-business employment was concentrated in the following sectors: construction, agricultural services, and wholesale trade (see Table 1). Small businesses added a net total of 57,200 employees between 1995 and 1996, accounting for 62 percent of private non-farm employment growth in the state (see Table 2). The industries with the largest percent increases in employment among small businesses were: insurance agents, brokers and service; trucking and warehousing; auto repair services, and parking (see Table 3). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Recent figures show that small firm job growth has continued. According to data prepared for the SBA's Office of

Advocacy by Cognetics, Inc., non-farm businesses added 344,100 net new jobs in the state between 1994 and 1998. In almost all industries, the most prolific job creators were firms with fewer than five employees. (Source: Cognetics, Inc.)

Small Business Income. There is no single measure of small business profitability because firms may operate as sole proprietorships, partnerships, or corporations. A partial measure — non-farm proprietors' income — totaled \$17.3 billion in 1998, an increase of 5.0 percent from \$16.4 billion in 1997. (Source: U.S. Dept. of Commerce)

Finance. The SBA's Office of Advocacy ranked the 224 banks in the state that filed "call reports" with federal banking regulators on the basis of dollar value, number, and percentage of small commercial loans (under \$1 million) outstanding on June 30, 1998. (See Table 4 for the top-ranking small-business-friendly banks.) In addition to these banks, small businesses seeking loans should consider lenders that participate in the SBA's loan programs (so-called "preferred" or "certified" lenders); for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722. Small businesses looking for qualified investors can also turn to the Access to Capital Electronic Network (ACE-Net). For more information, contact an ACE-Net operator at (216) 229-9445 x171 or via e-mail at sgalicz@edinc.org

To learn more about the Office of Advocacy's data, analyses, and research reports on small business, call (202) 205-6530 or visit the office's Web site at www.sba.gov/advo.

TABLES

Table 1. Employment by Industry and Firm Size, 1996 (thousands)

<i>Industry</i>	<i>Total</i>	<i>Firm Size by Number of Employees</i>		<i>< 500 as Percent of Industry Total</i>
		<i>1-19</i>	<i>1-499</i>	
Total non-farm employment	4,640.0	801.0	2,323.7	50.1
Agricultural services	24.8	14.5	20.3	81.8
Mining	14.0	2.8	8.2	58.9
Construction	200.2	94.8	186.1	92.9
Manufacturing	1,083.5	65.3	410.3	37.9
Transportation, communications, and utilities	227.1	27.0	79.2	34.9
Wholesale trade	305.0	63.3	189.0	62.0
Retail trade	1,008.0	170.5	477.3	47.3
Finance, insurance, and real estate	291.5	48.4	112.1	38.4
Services	1,484.9	313.6	840.3	56.6
Unclassified	1.0	0.9	1.0	100.0

Source: U.S. Dept. of Commerce, Bureau of the Census.

Table 2. Non-Farm Job Gains and Losses by Firm Size, 1995–1996 (thousands)

	<i>Total</i>	<i>Firm Size</i>	
		<i>1–19</i>	<i>1–499</i>
Gains:			
New establishments	229.4	60.4	116.5
Expanding establishments	440.0	115.6	261.6
Losses:			
Downsized establishments	(404.8)	(75.3)	(217.0)
Closed establishments	(172.2)	(53.2)	(104.0)
Net change in employment	92.4	47.5	57.2

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 3. Fastest Small Business Employment Growth by Industry, 1995–1996 (thousands)

<i>Industry</i>	<i>SIC</i>	<i>Small Business Employment 1996</i>	<i>Net Change*</i>	<i>Percent Change</i>
Total, all industries		2,323.7	15.3	0.7
Insurance agents, brokers, and service	6400	23.4	1.3	5.8
Trucking and warehousing	4200	44.9	1.8	4.1
Auto repair, services, and parking	7500	36.4	1.3	3.7
Real estate	6500	43.3	1.5	3.5
Legal services	8100	28.8	0.8	2.7

* Net change in Table 2 differs by definition from net change in Table 3. Table 2 uses dynamic data to track changes in individual businesses over time, whereas Table 3 uses static data to take snapshots of the universe of businesses at two different points in time.

Note: Table shows the top five industries. Includes only businesses with fewer than 500 employees. Industries with less than 1 percent change in small business employment are not included.

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 4. Small-Business-Friendly Banks, 1998

<i>Bank Name</i>	<i>Location</i>
Citizens Banking Company	Salineville
Croghan Colonial Bank	Fremont
First National Bank of Shelby	Shelby
Community First Bank and Trust Company	Celina
Sutton State Bank	Attica
Old Fort Banking Company	Old Fort
Community National Bank	Franklin
Ohio Bank	Findlay
First National Bank of Pandora	Pandora
Consumers National Bank	Minerva
Heartland Bank	Croton
Commerce National Bank	Worthington
Huntington National Bank	Columbus

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's Web site at

www.sba.gov/advo/lendingmus2.html.